

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

DOUGLAS W. BAILLIE,
Plaintiff,
vs.
CHUBB & SON INSURANCE,
Defendant.

CASE NO.
C-1-02-062

COPY

DEPOSITION OF: DIANE R. HAGGARD
TAKEN: By The Plaintiff
DATE: June 20, 2003
TIME: Commencing at 1:59 p.m.
PLACE: Offices of:
Freking & Betz
215 East Ninth Street
Fifth Floor
Cincinnati, Ohio 45202
BEFORE: Theresa Lynn Westfelt
Court Reporter
Notary Public - State of Ohio

1 Q. Did he ever do anything that was as close in
2 seriousness in your view given your knowledge of human
3 resources and companies' policies and procedures?

4 A. Yes.

5 Q. What did he do that was comparable in
6 seriousness to what Chris did?

7 A. Well, he had approximately 14 direct reports
8 to which he was responsible for their career growth and
9 the success of implementing a strategy and that was not
10 happening.

11 Q. Okay. Anything else?

12 A. That's all I recall at this time.

13 Q. Okay. And when you say all you recall at
14 this time, did you review your notes prior to coming to
15 the deposition today?

16 A. No.

17 Q. Did you review any kind of documents even
18 when you met with Mr. Montgomery?

19 A. Yeah. Let me say that we talked about a few
20 things, but --

21 Q. No, I don't want to know what you talked
22 about. What we're entitled to know is what you actually
23 reviewed in terms of documents even if you were sitting in
24 the room with Mr. Montgomery.

1 meeting with Mr. Montgomery?

2 A. No, I think that was all.

3 Q. Okay. Do you believe your notes contained
4 information about improprieties of Mr. Baillie?

5 A. Yes.

6 Q. And do you know of any improprieties by Mr.
7 Baillie that are somehow violations of Chubb policies that
8 are not reflected in your notes?

9 A. Yes.

10 Q. Okay. What was that? What are the things
11 that you think of that were not contained within your
12 notes that involved improprieties or violations of company
13 policy, or anything that Baillie did that was bad?

14 A. I don't believe I have notes on what could
15 be viewed as sexist comments.

16 Q. Uh-huh.

17 A. (Continued) I don't believe my notes
18 contain an incident in Jamaica, but they could, I don't
19 recall.

20 There were several issues that would come
21 up, in particular in my first maybe six months in HR,
22 where people would come in and talk to me about their
23 frustrations with Doug that I didn't record.

24 Q. Do you recall anything specific about those

1 frustrations?

2 A. From a general standpoint?

3 Q. General or specific.

4 A. There were --

5 Q. Anything you can possibly recall.

6 A. Okay. They were condescending comments,
7 inappropriate comments toward an African-American female
8 employee. Events where he was drinking heavily, driving
9 erratically, drunk, and confusion over the strategy and
10 his instructions to them.

11 Q. Uh-huh.

12 A. (Continued) That's -- (witness did not
13 complete response).

14 Q. That's what you can remember?

15 A. There's probably more, but that's -- yeah.

16 Q. What do you mean, you think "there's
17 probably more"? Are there any notes or records that you
18 have that could refresh your recollection on that?

19 A. No.

20 Q. Is there anybody you can talk to, do you
21 think, that could refresh your recollection on that?

22 A. Yes.

23 Q. Who would that be?

24 A. Dieter Korte, Tom Gates, Mike Zdinak,

1 Z-D-I-N-A-K, Beth Hunter, Susan Audino, A-U-D-I-N-O, Greg
2 Tazic, T-A-Z-I-C. That's --

3 Q. That's the list?

4 A. Yeah, that's the capture.

5 Q. okay. Are they all still employed by Chubb,
6 to your knowledge?

7 A. To my knowledge, yes.

8 Q. Are they all employed in Cincinnati?

9 A. No.

10 Q. Is Tazic still in Cincinnati?

11 A. No.

12 Q. where is he?

13 A. He's in Itasca, Illinois.

14 Q. How about Korte?

15 A. He is still in Cincinnati.

16 Q. Gates?

17 A. Cincinnati.

18 Q. Zdinak?

19 A. Zdinak, yes, he's in Cincinnati.

20 Q. Hunter?

21 A. She's in Cincinnati.

22 Q. Audino?

23 A. Charlotte. Do you want more names? I'm
24 thinking of more names.

1 Q. What was the nature of what you spoke to Mr.
2 Ekdaht in regards to Korte's comments or complaints?

3 A. I wanted to make sure that we all looked out
4 for Dieter, because he was a valued member of our branch
5 and region, of the Commercial Lines Department and the
6 zone and he wanted to resign out of frustration over Doug
7 Baillie.

8 Q. Okay. He thought that Baillie put to much
9 emphasis on marketing?

10 MR. MONTGOMERY: Objection. Calls for
11 speculation.

12 Q. (Continued) Korte, did you know that? He
13 disagreed with Baillie's business philosophy?

14 A. Yes.

15 Q. Okay. Baillie was running the business,
16 correct?

17 A. The branch?

18 Q. Yes.

19 A. Yes.

20 Q. Normally -- and Korte reported to Baillie,
21 right?

22 A. Dual accountability, his direct report was
23 Doug Baillie.

24 Q. Right. And as far as -- and Baillie, to

1 your knowledge had been given the responsibility by Chubb
2 to determine the management philosophy for that particular
3 branch; is that correct?

4 A. The way they worked it with the dual
5 accountability, especially in an underwriting capacity, is
6 the Northern Zone Commercial Lines Manager looks at the
7 Commercial Lines product and profit, and Doug is concerned
8 with profit and growth for that specific area.

9 So to say that Doug exclusively is
10 responsible for the business, no. There sometimes is
11 conflict.

12 Q. Okay. Did you make a judgment as to whether
13 or not Korte was correct in his disagreement with Baillie
14 or did you think that was a management difference of
15 opinion?

16 A. I agreed with Dieter.

17 Q. Oh, you agreed with Dieter. Now, what did
18 Dieter tell you that you agreed with?

19 A. The emphasis on growth and trip reports and
20 agency calls.

21 Q. Dieter thought there was too much emphasis
22 on growth?

23 A. Yes.

24 Q. He thought there was too much emphasis on

1 trip reports?

2 A. Oh, yes.

3 Q. Too much emphasis on agency calls?

4 A. Yes.

5 Q. Now, did you get Mr. Baillie's opinion on --
6 or his explanation as to why he placed a greater emphasis
7 on growth than Korte believed he should?

8 A. Yes, to -- again, this is to the best of my
9 knowledge.

10 Q. No, did you meet with him and discuss
11 this --

12 A. Yes.

13 Q. -- or is this just speculation on your part?

14 A. I spoke with Doug about this.

15 Q. Okay.

16 A. (Continued) It was two-plus years ago,
17 so --

18 Q. Yeah, what did Doug tell you about why he
19 placed more emphasis on growth than Dieter wanted to?

20 A. To the best of my memory, it was the more
21 you're in front of the agent, he felt the more business
22 they would give you.

23 Q. Uh-huh.

24 A. (Continued) And the more you grow, the

1 better your expense ratio -- the lower your expense
2 ratio --

3 Q. Uh-huh.

4 A. -- goes, which was important.

5 Q. Uh-huh.

6 A. (Continued) And the likelihood of you
7 getting new business to the agency over your competitors,
8 if you're not there, they're there, so stay in front of
9 them.

10 Q. And you disagreed with those explanations?

11 A. As an exclusive practice, yes.

12 Q. Well, Mr. Baillie didn't say that was his
13 exclusive practice was just to emphasize growth, right?
14 He said do it in combination with other matters, or did he
15 say "I'm going to exclusively focus on" --

16 A. No, he said -- he said that in partnership
17 with other areas.

18 Q. Right. So what in your background with
19 Chubb gave you the ability to decide that Mr. Baillie --
20 or Mr. Korte was correct and Mr. Baillie was wrong?

21 A. Doug would say in managers' meetings that if
22 you don't have a certain number of trip reports that he
23 was going to dock their merit increase or their bonuses.

24 Q. No, I'm sorry, I'm talking about the

1 emphasis on growth. How did you determine that Korte's
2 view was correct and Mr. Baillie's view was incorrect?

3 A. Well, the Commercial Lines philosophy from
4 1999 on was "do not grow at the expense of profit," profit
5 is first and foremost, growth is secondary. So both the
6 retentions of business were lowered on the budgets and the
7 rate was significantly increased in expectation, the rate
8 initiative.

9 So while we weren't turning away from
10 growth, it became a secondary initiative.

11 Q. Anything else?

12 A. From a growth standpoint?

13 Q. Yeah, that you determined Korte -- any
14 reason why you determined Korte was correct and Baillie
15 was wrong?

16 A. No, that's -- (witness did not complete
17 response).

18 Q. Did he maintain this emphasis on growth
19 throughout his tenure, '98 through 2001?

20 A. Yes.

21 Q. Would you agree with me that the primary
22 financial goal of the branch during those years was to
23 make a profit?

24 A. Yes.

1 Madness?

2 A. I remember the department -- I remember it
3 was Commercial Lines employee, so it mind come to me, it's
4 been a couple of years.

5 Q. Was the substance of his complaint that Mr.
6 Baillie drank too much?

7 A. That he drank too much, that he wanted them
8 all to stay out with him, that no one wanted to be last
9 one there because he wouldn't let them leave -- and now I
10 remember who it was. It was Janet Probst, P-R-O-B-S-T.

11 Q. Janet. The company sponsored this event?

12 A. Yes.

13 Q. At a bar?

14 A. For "Insuring the Children."

15 Q. Sponsored at the bar for "Insuring the
16 children"?

17 A. Yes.

18 Q. And this was during basketball games?

19 A. Yes.

20 Q. Do you recall whether this was an all-night
21 thing or an all-day thing?

22 A. It was during the day.

23 Q. Did anybody raise any concerns about the
24 fact that the company was sponsoring an event at which

1 about how he was -- how he was doing with the city, he was
2 fairly new to the city, and how his wife, Dori, was doing
3 and he said that she was very lonely and she wanted him
4 home all the time, very needy. And I suggested that he
5 have her join the golf league at Ivy Hills or a bridge
6 club, something like that to make some friends. And he
7 said "no, no, no, I don't like her to go out without me
8 because women are known for being taken advantage of by
9 men and before you know it, she would end up in bed with
10 some guy, and I just don't want to put her that position,
11 because men are so manipulative and women are easily
12 manipulated."

13 Q. That was in a bar?

14 A. Yes.

15 Q. Did you ever wonder whether or not he was
16 yanking your chain over that comment? Do you know what I
17 mean by --

18 A. I don't really care if he was yanking his
19 (sic) chain. It was inappropriate in my opinion.

20 Q. Inappropriate even if he was kind of just
21 joking around with you?

22 A. Yes.

23 Q. Okay. Anything else?

24 A. I've had -- Beth Hunter left the company

1 A. "I can listen and read the paper at the same
2 time."

3 Q. He can multitask?

4 A. Yes.

5 Q. Did you have any reason to disbelieve him?

6 A. Like I said, that's irrelevant because the
7 perception is that "this is not of interest to you or a
8 priority for you." I don't -- whether you're listening or
9 not, it gives the impression to other people that they're
10 not as important as your newspaper.

11 Q. Had other people complained to you about
12 this, or was this an impression you formed?

13 A. Other people complained about it.

14 Q. Who were they?

15 A. Dieter, Kevin Murphy, Erin Pesce, P-E-S-C-E,
16 E-R-I-N.

17 Q. What else were you involved in personally?
18 You said there were two things, I think.

19 A. Yeah, the --

20 Q. He read a newspaper and secondly --

21 A. The other was -- after I had my second child
22 and came back to work, I had, during my FMLA, come into
23 the office and met with Jim Ekdahl and Doug Baillie about
24 a reduced work schedule, 30 hours a week.

1 drank too much, behaved improperly in front of agents and
2 others, who had a management philosophy that didn't make
3 any sense and otherwise didn't manage his people very
4 well?

5 MR. MONTGOMERY: Objection. To some extent
6 it mischaracterizes the testimony.

7 THE WITNESS: Do I answer anyway?

8 MR. MONTGOMERY: Yeah.

9 A. I never said them in those words. I
10 reported what was reported to me.

11 Q. Okay. Let me ask you this question --

12 A. (Continued) And I didn't consider it
13 reporting as much as I would consider gaining advice from
14 Ekdahl on how to manage the situation.

15 Q. As Human Resources Manager, did you form an
16 opinion that Mr. Baillie was a sexist?

17 A. As a person or as a human resources manager?

18 Q. I'm asking you whether you thought that a
19 human resource manager for Chubb Insurance Company.

20 A. Yes.

21 Q. Okay. Did you think in your role as Human
22 Resource Manager that you had a guy in charge of a branch
23 that drank too much?

24 A. Yes.

1 Q. And you, as an HR Manager, thought he
2 violated the Chubb Code of Conduct?

3 A. Yes.

4 Q. He behaved improperly in front of agents,
5 employees, and others?

6 A. Yes.

7 Q. Did you ever --

8 A. (Continued) You missed one.

9 Q. What was the other one then?

10 A. The other one was clarity of a strategy and
11 communication.

12 Q. I assume you weren't in all of his meetings
13 he had with his subordinates --

14 A. That's right.

15 Q. -- is that fair to say?

16 A. Yes.

17 Q. Now, you've reflected on this matter, I
18 suppose, since Baillie was terminated, right?

19 A. Yes.

20 Q. Would you have an opinion one way or the
21 other if you learned that Mr. Baillie was never
22 disciplined by Ekdahl or anyone else for being a sexist?

23 A. Would I have an opinion as to whether that
24 happened or whether --

1 A. There were a lot of instances where people
2 would come in and talk to me about their interactions with
3 Doug or what had happened, and if I were to make notes
4 when they were standing there, they would get very nervous
5 and clam up. So when they would leave, I would just jot
6 things down, and that's what these are. These are part of
7 that dinner that Gates had -- Tom Gates had with Doug and
8 Mapes & Company. And Doug was saying that according to
9 Zerlong and Tom Otined (phonetic), Gates is damaged goods,
10 he wasn't mobile, he wouldn't move to Chicago, it's only a
11 matter of time before they kick him out, just belittling
12 and making him think that his career wasn't long for the
13 company.

14 And I wrote it down because it's just not
15 something that you want your agents to hear, because then
16 you have confidence that their underwriters and their
17 managers are in good standing with the company.

18 Q. Okay. So these notes relate to that Gates'
19 dinner?

20 A. Yes.

21 Q. Okay.

22 A. (Continued) And this one below was after
23 I'd heard from a couple people about this picture that he
24 had in his top drawer with the torn-up Taurus and what

1 happened, allegedly, after he was driving home drunk.

2 And he constantly bragged about drinking and
3 driving. He would come in and say that, you know, a cop
4 followed him all the way home and he kind of, you know, a
5 big sign of relief that he made it home or that, you know,
6 at times that he would pull over to a side street when he
7 would see that a cop was sort of tailing him and how he
8 got away with it, that kind of stuff.

9 Q. Ill hand you an e-mail from you, this is
10 post his termination --

11 A. Yes.

12 Q. -- something to do with his -- is this the
13 only involvement -- you earlier testified that you didn't
14 remember any dealings with his separation package or
15 anything post-termination?

16 A. Right.

17 Q. Is this the extent of your involvement, just
18 talking about the effective date of his termination?

19 A. Yeah. Becky called me at home and said that
20 Doug had called and he wanted to make sure that the system
21 said 10/15 as his last day. She didn't say why. So it
22 had been my understanding up until that point that that
23 was his date. So I said "yeah, go ahead and tell him
24 that." But then subsequently, I think, I talked to Ekdahl

1 Q. Yeah. Does this have anything to do with
2 Baillie?

3 A. Yeah, they all are items that were either
4 outstanding or that I needed to talk to him about, so I
5 would just, as things come up, keep them all documented on
6 that little slip of paper and open it up when we would
7 have meetings.

8 Q. Anything reflected there that's either -- it
9 reflects inappropriate or improper or some kind of bad
10 behavior by Baillie or anything you would have discussed
11 with Jim Ekdahl?

12 A. I would have talked to him about this area,
13 concern over branch and manager value of L&D, that's both
14 as a result of our employee survey and feedback that I
15 received from employees.

16 Whenever we would hold training events, I
17 would have a lot of people cancel or say that they
18 couldn't come and it's because they didn't feel that Doug
19 or their manager was really allowing them the time to take
20 away from their daily tasks to go to these training
21 events.

22 Q. What does L&D stand for?

23 A. Learning and Development.

24 Q. All right. Thank you.

1 A. (Continued) Let's hold on. (Reviewing
2 document). That's it.

3 Q. Okay. How about 1339, same question:
4 Anything reflected on there about Baillie, and if so,
5 anything that's negative about him whatsoever?

6 A. The Steve Eck (phonetic) and Mike Zdinak in
7 the Regional Loss Control, that's a larger issue, which
8 notes are in there somewhere about Mike Zdinak's confusion
9 and frustration over directives made by Doug versus his
10 zonal, Steve Hernandez.

11 Q. Did you come to any kind of resolution on
12 that as to who was -- there was any kind of fault on the part
13 of Baillie?

14 A. Well, he was advising Mike Zdinak to
15 prioritize and focus on things that were contrary to
16 current Loss Control directives. He was -- it was
17 confusing for Mike Zdinak. And so I took the notes and
18 talked to Doug about it and suggested that he get with
19 Mike.

20 Q. How about the next page 1341? Anything on
21 there about Baillie and, if so, anything that's critical
22 about Baillie to your belief?

23 A. (Reviewing document). Not that I recall.
24 It doesn't look like it.

1 A. Yes.

2 Q. And you agreed with the employees, with
3 their criticism?

4 A. Yes.

5 Q. Okay.

6 A. Elinor Faulkner, F-A-U-L-K-N-E-R, she is the
7 Operations and HR Representative in Cleveland. She asked
8 to have Gary DeLong, Branch Manager in Cleveland, be her
9 direct report because of Doug's perceived lack of respect
10 for the HR function. She didn't feel she would get a fair
11 review.

12 Q. And again you agreed with her?

13 A. Yes.

14 Q. Did you review either of those matters on
15 that page with Mr. Ekdahl or anyone else that you've aware
16 of?

17 A. No.

18 Q. Okay.

19 A. (Continued) Because -- no. (Reviewing
20 document), okay, there's nothing on this page.

21 Q. Was that your choice -- I'm going to
22 interrupt you for a second. Was that your choice to go
23 into HR or someone else's choice?

24 A. I expressed interest.

1 A. Uh-huh (nodding head affirmatively).

2 Q. Okay.

3 A. (Continued) This was on 4/30/01, I believe.

4 And this was -- my concern over career discussions and
5 coaching, lack of, with Doug, just my personal notes.

6 Q. Personal note that you were concerned with
7 the quality of those or quantity?

8 A. Quality.

9 Q. This is April 30th of 2001?

10 A. I believe so.

11 Q. Did you think Mr. Baillie was satisfied or
12 dissatisfied with your overall performance?

13 A. Satisfied. (Continued) This is -- an
14 employee reported -- actually this was -- Tom Gates
15 reported, this is 1383, that Tim Dietz, who at the time
16 was an Energy underwriter, went to a basketball game with
17 an agent and Doug, and that Doug was drinking excessively
18 and bragging about how much he drinks a day and pressuring
19 the agent and Tim to drink as well and they were
20 uncomfortable.

21 Q. Did you report that to Ekdahl or anyone
22 else?

23 A. Yes, I did, to Ekdahl.

24 Q. Okay. Now, when you reported things to

1 THE WITNESS: Okay, but I answer, right?

2 MR. MONTGOMERY: Yeah.

3 A. Okay. We were going through the incentive
4 -- we were talking about the incentive bonus and what
5 should be considered both in the ranking and inclusion for
6 who gets what bonus. And I stated that Greg Tazic has
7 been running the Diversity Committee for the last
8 year-and-a-half and the results were very good, and Doug
9 didn't feel that that was worthy of being considered for
10 incentive bonus consideration.

11 Q. Okay. Were other committee leaders -- were
12 other committee positions rewarded with incentive
13 compensation to your knowledge?

14 A. The Reach Committee was considered. The
15 Reach Committee had --

16 Q. Incentive compensation. Were there some
17 committees that were considered for incentive compensation
18 and some committees that were not?

19 A. I know that the Reach Committee had, which
20 is an activities committee, did received a bonus and that
21 was included as part of the justification for a bonus, but
22 I can't tell you whether -- yeah, whether that was the
23 only reason.

24 Q. Were there a number of committees?